

↑ 4.90%

Tosca Micro Cap UCITS Fund

UK Micro Cap

March 2021

Performance Returns

The Tosca Micro Cap UCITS Fund returned 4.90% in March (GBP Institutional share class).

Investment Objective & Strategy

The Tosca Micro Cap UCITS Fund is a fundamental, value-orientated strategy, applied to the opportunity rich UK micro cap segment. The fund will invest primarily in “micro cap” companies with a market capitalisation of up to £250m that are listed in the UK, and which are or are expected to become constituents of the FTSE Small Cap or the FTSE AIM All Share Index. The Fund is managed by Matt Siebert who, together with Daniel Cane and Jamie Taylor, support Martin Hughes in the management of the Toscafund mid-cap strategy. As such, the Fund represents an extension of the same investment philosophy employed in the award winning Tosca Opportunity and Tosca Mid Cap funds. The Fund targets an annualised return in excess of 15% (net of fees).

Manager Commentary

March was an unusually busy month in the portfolio with a number of new positions added, largely through the very robust IPO pipeline that we are seeing in small cap UK currently. These new positions contributed 1.4% of the 4.9% gain in NAV for the month. Three long term positions were exited.

Part of our confidence in the outlook for UK micro caps at present stems from the size and quality of the IPO pipeline. As followers of the Fund will know, increased interest and liquidity at the smaller end of the market is often a catalyst for sustained performance (certainly we have seen that historically in our own Fund performance stats).

During March we invested 8% of NAV in three IPOs. Of these, TinyBuild (+84 bps) got off to the strongest start. Part of the attraction of the UK market is that while companies subscribe to LSE/UK corporate governance rules they don't necessarily have to be domiciled in the UK. In this instance, TinyBuild is a Seattle based games developer with an experienced

management team, a highly scalable model, a strong back catalogue and a healthy pipeline of new titles. Priced at a meaningful discount to listed peers, we are excited by the business and the organic/inorganic growth potential. Whilst a slightly different model, we note how upgrades and M&A have driven Sumo +350% since its IPO in late 2018.

The other IPO names were workplace software business, ActiveOps (+32 bps) and influencer-led online fashion retailer, InTheStyle (+24 bps). Both reflect two different realities of the post pandemic world. In the B2B space, the need for enterprises to digitise processes to improve productivity, while in the B2C arena, a desire to contain marketing costs – in this case by sharing in the upside of influencer led sales via 3rd party social media sites.

Elsewhere in the Fund, earnings momentum and upgrades continued to be major catalysts for performance. Tremor Int'l (110 bps) upgraded forecasts for the fifth time since September 2020 with earnings moving forward another 25%, while group net cash moves up another 12% (to \$145m by 2022 or 11% of the current market cap). Halfords (+57 bps) continued to beat expectations, as did Wincanton (+49 bps), while Kape Technologies (+55 bps) announced the acquisition of Webseleense leading to >60% upgrade in EPS.

The only disappointments in the month were in a couple of our healthcare names and in a renewable play. Maxcyte (-56 bps) and Synairgen (-29 bps) saw their stock prices consolidate after significant appreciation in recent months. We see this as more of a pause for breath rather than a retrenchment. Meanwhile, Invivity (-34 bps) has suffered as a strategic shareholder, short of funds, has been selling their position. This has largely now been completed and we expect newsflow to support a recovery in the shares.

While April does not look to be as busy from a transaction perspective, we remain upbeat on the micro newsflow and as such remain confident on the trajectory of the fund.

We thank you for your continued support.

The Manager

TOSCAFUND

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$60.8m
Inception	1st October 2010
Relaunch	8th April 2016

Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B6821V62/IE00B3RTD232

Share Class	Retail/Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.5%
Perf. Fee	15%
Min Init. Sub.	1,000
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22536

Matthew Siebert joined Toscafund in 2008. He started his career at Hoare Govett in 1991 in a sector research team covering utilities. By 2005 he was responsible for much of the technology research at ABN Amro. He then ran sales and research at Quantmetriks before joining Tosca. Matthew graduated in Political Science from Birmingham University.

Daniel Cane joined Toscafund in 2008. From 2004 he worked with Quantmetriks. He analysed the retail sector at HSBC and ABN AMRO (2000-03). Prior to that he was a paper & packaging analyst at ABN AMRO (ranked 2nd in Extel surveys). Daniel graduated in Industrial Economics from Nottingham University in 1987.

Jamie Taylor joined Toscafund in 2015. Prior to this he was an analyst for seven years with Clareville Capital LLP, a UK L/S Equity fund based in London. Jamie graduated from the University of Edinburgh in 2008 with a MA (Hons) in Law & Business Studies, and is a CFA charterholder.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2021	3.67%	5.98%	4.90%										15.25%
2020	5.90%	-11.45%	-24.95%	12.34%	7.39%	1.63%	9.30%	8.62%	0.86%	1.75%	7.02%	15.33%	29.79%
2019	-0.55%	-3.90%	2.40%	3.10%	0.10%	-4.41%	0.46%	-5.23%	-2.32%	-0.98%	2.58%	5.01%	-4.24%
2018	-1.15%	0.18%	-2.89%	1.79%	0.61%	3.36%	2.49%	1.46%	-2.23%	-12.55%	-5.35%	-3.99%	-17.76%
2017	4.86%	0.20%	2.04%	4.42%	3.97%	-2.28%	-1.59%	3.54%	-0.68%	1.24%	-0.66%	2.15%	18.25%
2016	-	-	-	1.15%	3.94%	-3.84%	8.76%	5.23%	2.80%	0.73%	1.60%	3.60%	26.10%

The performance figures quoted above represent the performance of the Tosca Micro Cap UCITS Fund (GBP Institutional Class) since relaunch on 8th April 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

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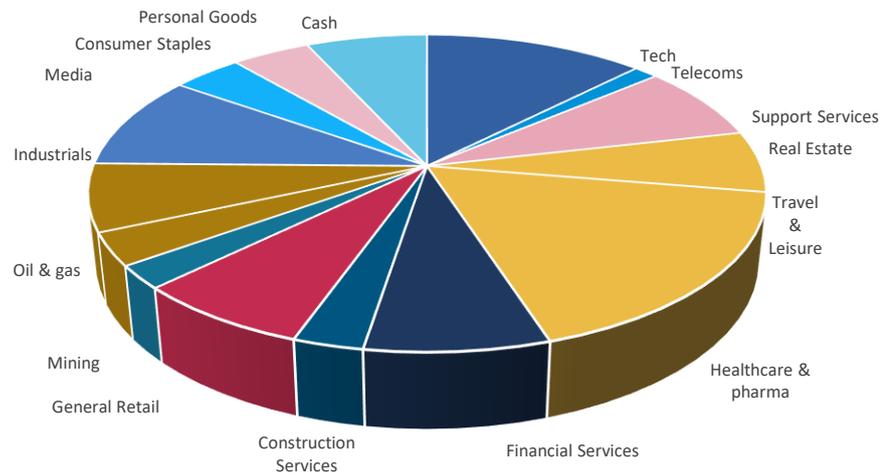
March 2021

COMPOSITION OF FUND (Data as at 31st March 2021)

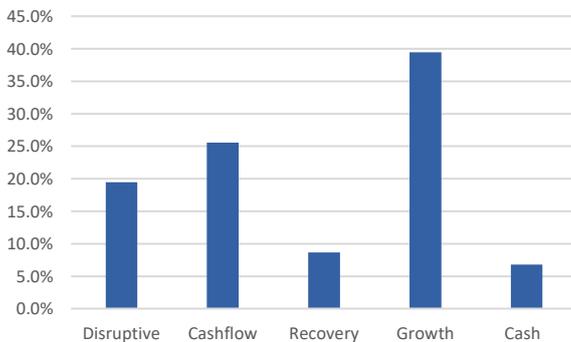
Portfolio Summary

Gross exposure	93.2%
Average mkt cap (£m)	296
No. of positions	46

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

Maxcyte	5.56%
Tremor	5.41%
Synairgen	3.19%
Tinybuild	3.09%
Fonix	2.88%

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Disclaimer

RISK WARNING: Following a restructuring and rebranding on the 8th April 2016, the Pegasus UCITS Fund became the Tosca Micro Cap UCITS Fund. Returns between the inception of the Fund 1st October 2010 and up to and including the 8th April 2016 relate to the Pegasus UCITS Fund. Information on the returns for this period is available on the Key Investor Information Documents. Returns from the date of business on the 8th April 2016 to date relate to the Tosca Micro Cap UCITS Fund. Past performance is not a reliable indicator of future results, prices of investments and the returns from them may fall as well as rise. Investments in equities are subject to market risk. Changes in exchange rates may have an adverse effect on the value price or income of the product. The Tosca Micro Cap UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation and this notice shall not be construed as an offer of sale in any other fund managed or advised by Toscafund Asset Management LLP or Waystone Fund Management (IE) Ltd ("Waystone"). Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document which together with the MontLake UCITS Platform ICAV Prospectus may be downloaded from the Waystone website (www.montlakeucits.com). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither Waystone nor Toscafund Asset Management LLP accepts liability for the accuracy of the contents. The state of origin of the Fund is the Republic of Ireland. The Representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. In respect of the units distributed from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative. The current document is intended for information purposes only and shall not be used as an offer to buy and/or sell shares. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Waystone does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is Waystone Fund Management (IE) Ltd, a company regulated by the Central Bank of Ireland. The Investment Manager for the fund, Toscafund Asset Management LLP is authorised and regulated by the U.K. Financial Conduct Authority. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. This notice shall not be construed as an offer of sale in the Fund. The state of the origin of the Fund is the Republic of Ireland. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Authorised and Regulated by the Central Bank of Ireland. This is a marketing document.